

MINUTES
DD/S STAFF MEETING
12 December 1972

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b. Mr. Fisher reported on the CFC results. The Agency has reached 99.97% of its goal, just \$79 short of the target figure. The Support Directorate has reached 92.17% of its goal, broken down as follows: O-DD/S: 152.5%, OTR: 139.4%, OP: 107%, OF: 107.2%, OL: 86.5%, OC: 77.1%, OMS: 75.7%, OS: 74.4%, and SSS: 85%. EAF now totals \$17,232; PSAS totals \$14,962.

c. Mr. Fisher commented on the freeze on hiring, promotions and executive pay. The freeze is not as long as it was once thought; it is due to be relaxed when the next Federal budget is submitted to Congress in late January. Step increases and QSI's are not affected, but it is hoped that there will not be a flood of QSI's to compensate for the lack of promotions. Transfers from one Federal agency or department to another are frozen. Mr. Fisher also said that effective 31 December 1972, the liberalized procedures for voluntary/involuntary discontinued service retirement under the Civil Service Retirement System have been rescinded because of a policy decision by the Civil Service Commission. Voluntary/involuntary retirement under CIARDS has also been rescinded effective 31 December 1972. A Notice is being issued which will rescind [redacted]

d. Mr. Cunningham said that the Training Selection Board has chosen 20 people for the next running of the Senior Seminar. There were 26 highly qualified people nominated. The first "guinea pig" Leadership Conference will be offered to 16 OTR careerists [redacted] The second running of the Office Management Course will be conducted 16 through 19 January, and candidates have been selected. Mr. Cunningham also mentioned that he had received a suggestion from his secretary that, in the wake of the recent Office Management Course, an Agency secretaries association be established to "bring the secretaries together for a mutual exchange of ideas on how to improve themselves in their jobs." 25X1A

e. Mr. Yale mentioned that [redacted] had returned from his recent TDY. 25X1A

DESTROY AFTER READING.

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UNITED STATES CIVIL SERVICE COMMISSION

IN REPLY PLEASE REFER TO

WASHINGTON, D.C. 20415

December 11, 1972

YOUR REFERENCE

MEMORANDUM FOR PERSONNEL DIRECTORS

Successful implementation of the President's announcement placing a temporary freeze on hires and promotions represents a significant challenge to all managers, and a special challenge to Directors of Personnel.

All of us in personnel management have a key role in the implementation of the President's decision. Immediate action is necessary to assure:

- o timely directives from the agency head communicating his expectations in support of Presidential objectives to managers at every level in Washington and in the field
- o timely communication with employees to promote understanding of the reasoning behind the freeze
- o maximum utilization of staff by facilitating movement from lower to higher priority activities so that critical missions are accomplished with a minimum of interruption.

A copy of the President's statement is enclosed.

The attached question and answer sheet may be of assistance to you. If you have additional questions, please phone Wendell Mickle, Deputy Director, Bureau of Recruiting and Examining (632-6005).

Bernard Rosen
Executive Director

Enclosures

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have repeatedly made clear that it is my firm intention to hold down unnecessary Federal spending, so that our people can be spared the higher prices and/or higher taxes that such spending inevitably generates. No Federal programs, no matter how attractive they may be individually, can have a higher priority than the protection of the purchasing power of all the people.

The budget I will send to the Congress in January will constitute a plan for keeping Federal spending under effective control, while providing responsible appropriations for all worthy programs.

We cannot wait until January, however, to begin action on one vital part of that plan: There is an urgent need for us to act now to keep the Federal bureaucracy from becoming too large, and thus too expensive, too unwieldy and too unresponsive. Accordingly:

-- I am today imposing a freeze on all new civilian hirings and on all civilian and military promotions by executive branch agencies.

-- This freeze is effective at once and will remain in effect until the new budget is transmitted to the Congress in January.

-- When the budget is transmitted, the freeze will be relaxed, but only to the extent permitted by the revised spending goals for fiscal year 1973 as set forth in the budget.

Exceptions to the freeze order will only be permitted in cases where the actions are essential to preserve human life and safety, to protect property, to preserve the continuity of government or for emergency situations -- such as the need for the Postal Service to hire temporary help to meet the Christmas mail rush. All exceptions will have to be approved on a case-by-case basis by the Office of Management and Budget.

I do not expect this freeze to interfere in any way with plans for revitalizing the Federal Government. It will also have no effect on employees' eligibility for step increases, or on the scheduled comparability pay raise for Federal employees at the turn of the year.

My aim is to prevent unnecessary and wasteful growth of the Federal budget. Otherwise, we shall spurn the best chance we have had in more than twenty years to achieve prosperity without war and without inflation. I will not miss this opportunity.

THE WHITE HOUSE

TEXT OF A LETTER FROM CASPAR W. WEINBERGER,
DIRECTOR OF THE OFFICE OF MANAGEMENT AND
BUDGET, TO HEADS OF DEPARTMENTS AND AGENCIES.

In a statement released today, the President expressed his deep concern about the current budget outlook and reaffirmed his determination to bring spending under effective control.

As a first step in bringing spending under control and limiting the size and cost of the Federal work force, the President imposed a freeze, effective today, on all new civilian hirings and grade-to-grade promotions of all Federal, civilian, and uniformed personnel.

As his statement indicates, no exceptions to the freeze will be made other than in cases where the actions are essential to preserve human life and safety, to protect property, to preserve the continuity of government, or for emergency situations -- such as the hiring of temporary help by the Postal Service to help handle the Christmas rush of mail. The freeze will remain in effect until the transmittal of the 1974 budget in January. It will be relaxed then only to the extent permitted by the achievement of the fiscal year 1973 spending targets set forth in that budget.

Exceptions will be made only upon application to and approval by the Office of Management and Budget. I strongly urge that you try to handle critical problems by internal agency reallocations and that you not seek exceptions.

The freeze will not reduce budget outlays enough to achieve the President's objective for fiscal year 1973 or for later years. Cuts in existing programs will have to be made. This will be painful, and it can be done well only on the basis of a thorough evaluation of all existing programs.

Your personal involvement in formulating and carrying out lean, hard budgets for your agency is absolutely essential to the success of the President's effort to bring spending under control. The tough line that the President is taking on the budget is a necessary part of sound fiscal policy during the next 30 months and beyond; it is a necessary condition to achieving the President's objective of continued economic expansion and increased employment, without higher taxes and without renewed inflation.

I know that we can count on your full support.

Sincerely,

/s/ Caspar W. Weinberger

QUESTIONS AND ANSWERS ABOUT THE FREEZE ON HIRING AND PROMOTIONS

These questions and answers have been prepared in connection with the President's statement about the freeze on Hiring and Promotions of civilians in the Executive Branch of the Federal government.

1. What is frozen?

Answer: The freeze stops all hiring of civilian employees by Federal agencies, whether the appointments would be permanent or temporary, whether the persons would be new appointees or reinstated former employees. The freeze also stops all grade-to-grade promotions, permanent and temporary, of present Federal employees.

2. Are there any exceptions possible which might permit some limited hiring?

Answer: Where firm hiring commitments were made prior to the President's directive, commitments can be honored and the persons hired. In addition, appointments, reemployments or promotions required pursuant to law may be made (for example, reemployment after military service.)

3. What is a "firm hiring commitment"?

Answer: This means that an authorized official extended an offer of employment to a prospective employee before the President's directive. This includes a firm offer made subject only to satisfying a required pre-condition before entrance on duty, such as an investigation or medical examination.

4. Is there any provision for exception from the hiring freeze on an individual agency basis?

Answer: The Office of Management and Budget will permit exceptions only in cases where the actions are essential to preserve human life and safety, to protect property, to preserve the continuity of government, or for other emergency situations. Any specific questions about such situations should be directed by agency headquarters to the Office of Management and Budget.

5. Are transfers from one Federal department or agency to another also frozen?

Answer: Yes. The freeze applies to each agency individually, so Agency A may not add to its employment during the freeze by the transfer of an employee from Agency B. However, movements within a department or independent agency are authorized.

6. Why is the freeze being put into effect?

Answer: The President has stated that a reduction in the size of the Federal government is needed. Since it will take time to make specific decisions about agency and program adjustments it is advisable in the interest of government and all employees to freeze hiring and promotions now in order to soften the possible impact on Federal employees later.

7. How long will the freeze last?

Answer: Until a new budget is sent to Congress in January.

8. Could an agency which cannot hire, instead contract with a private firm?

Answer: No. Contracting may not be used to circumvent the President's directive.

9. Does the promotion freeze mean that employees' pay is frozen?

Answer: No. The freeze applies to promotions from one grade to a higher grade, but it does not apply to changes to a higher pay rate within the pay range of a grade (step increases).

10. Are there any exceptions to the promotion freeze?

Answer: Where prior commitments or provisions of law require, promotions may be effected during the freeze. These situations are the following:

A. Analogous to the "hiring commitment" situation, where an authorized official has offered a promotion to a properly selected employee prior to the President's directive, the promotion may be made.

B. Promotions being developed under formal training plans which contain written commitments to promote upon successful completion of specific requirements, may be promoted.

- C. The classification statutes require agencies and the Civil Service Commission to place positions in their appropriate grades, based upon the duties and responsibilities of the positions. Classification determinations reached during the freeze, which would entail upgrading of a position and promotion of an employee, based upon duties assigned and actually being performed prior to the freeze, will be effected. For example, a Commission decision on a position classification appeal, which is issued during the freeze period, and classifies the position to a higher grade, must be complied with.

11. Suppose an agency planned to rearrange duties during the freeze, and some jobs in an office would then be worth higher grades - would promotions be permitted?

Answer: No. The rearrangement or redistribution of duties, is something management can control. The "upgrading" situation described in question 10 is not a matter of planned management action, but recognition that a position has changed over time, and has been operating at a higher level for some time.

12. With hiring and promotions frozen, what can an agency do to fill essential jobs which are vacant?

Answer: The personnel system contains provisions to meet such situations. An agency may detail, i.e., temporarily assign, employees to other positions, or reassign them, i.e., to move to another job at the same grade level. Depending on such factors as how much attrition takes place, agencies may have to make choices of priorities to assure the most essential services are carried out. Less important activities may have to be delayed or slowed down.